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SPEECH ON THE BUDGET

BY THE

HON. J. G. ROBERTSON,

TREASURER OF THE PROVINCE OF QUEBEC,

DELIVERED IN THE

LEGISLATIVE ASSEMBLY, QUEBEC,

6TH DECEMBER, 1875.

Reported for Morning Chronicle.



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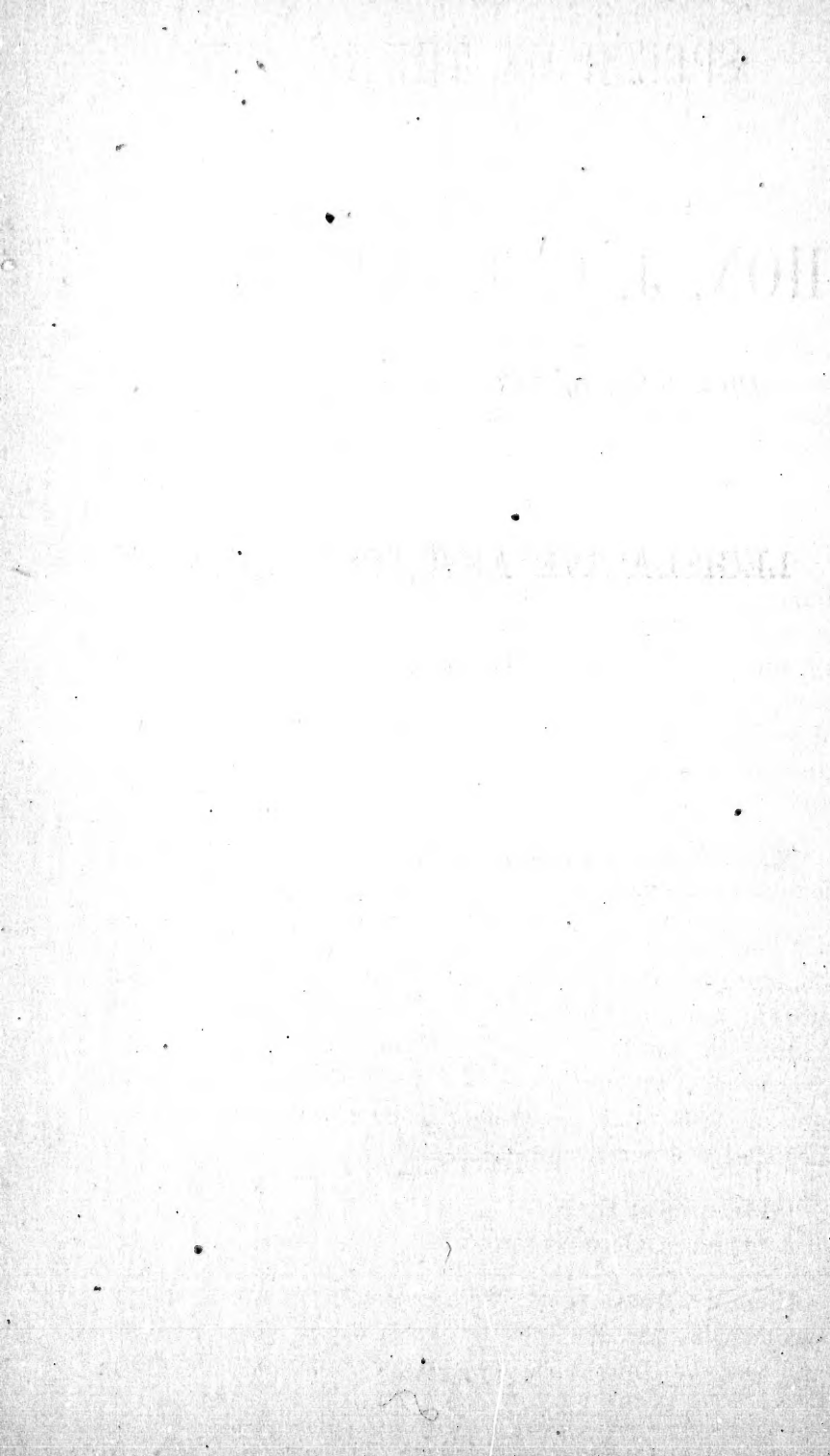
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QUEBEC.



THE BUDGET SPEECH.

Hon. Treasurer ROBERTSON—Mr. Speaker,—as I mentioned on Friday that I would be prepared to bring down the estimates to-day, if the House would have no objection I will now go on with them. (Hear, hear.)

Hon. Mr. OUMET—Wait until after six o'clock.

Hon. Mr. ROBERTSON—No; I would rather go on now. I am sorry to say that I do not feel well, and if I do not go on now perhaps I will not be able to go on at all this evening. (Hear, hear.) I will do the best I can, and I hope that the hon. members will make excuses for my state of health at this particular time. In the meantime, I would present the message of the Lieut.-Governor, signed by himself.

The SPEAKER, the members of the House rising, read the following message :—

“The Lieut.-Governor transmits to the Legislative Assembly the estimates of the Province of Quebec for the current year, supplementary and for the financial year ending the 30th of June, 1877, in conformity with the provisions of the 54th section of the British North American Act of 1867, and recommends these estimates to the Legislative Assembly.

“Government House,

“Quebec, December 2, 1875.”

Hon. Mr. ROBERTSON—Mr. Speaker, I beg leave to move, seconded by Mr. Malhiot, that you do now leave the Chair, and that the House form itself into Committee of Supply.

Mr. Speaker, in presenting this motion before the House, that you do leave the Chair, and that the House resolve itself into a Committee of Supply, I do it, feeling my own inability to "bring down the Budget," as it is commonly called, in such a way as I would like. While the presentation of the estimates heretofore consisted merely in stating our usual revenue and our usual expenditure, Mr. Speaker, it was comparatively easy to present these before the House, and but little difference of opinion existed as to the supplies asked for, only in so far as to see that our revenue was not exceeded and that the appropriations asked for were legitimate and applied to the ordinary business of the country. The case is now far different; we have incurred a debt in England—small, it is true—for railway purposes, with the object of assisting in the construction of these important lines of communication from the interior towards our great centres, and in order to facilitate the settlement of our wild lands, circumstances which no one could foresee or control have, however, arisen, necessitating a much larger expenditure for some of the more important railways than was originally contemplated, in order to secure the accomplishment of the desired result, or we must abandon our railway policy in part, and postpone to some indefinite period the construction of the railways already begun. To meet all the demands for railway aid is simply impossible; to provide funds sufficient to aid in building all the projected railways is beyond the power of this or any Government (hear, hear), unless the people of the Province are prepared to submit to direct taxation for that purpose. (Hear, hear—Mr. Loranger). To provide for aiding effectually those railways which the necessities of the country require and demand deserves the best consideration of the Government and of this House. I have studied the question, Mr. Speaker, with a good deal of care; I have endeavored to look at the railway question from a Provincial standpoint rather than from a local point of view and I am afraid many will be dissatisfied with the decision

at which the Government has arrived. If the people of the Province are ready to make sacrifices to obtain railways; if they are prepared to assume duties and to take burdens on themselves hitherto performed and borne by the Government, and if they are prepared, as I say, to make sacrifices in order to ensure completion of the railways, not only would it be easy for this Government but for any Government to meet the demands of the country in this regard; and if they really are ready to indebt themselves with the full knowledge of what this means, and fully determined to pay for railways indirectly or directly, if necessary, then I acknowledge we might go farther than I feel would be prudent, or than the people of the Province would endorse with their present knowledge and expressed opinions, as far as I know, on railway matters. I shall have occasion, before I close, to enter into the railway question at some length, and shall endeavor to give the fullest explanation of the views of the Government and their policy on this important subject, and give such information as will enable hon. members to act intelligently on the subject; and I hope the whole railway policy will be dealt with in a fair, liberal spirit, irrespective of any political feelings which any of us may have, for I consider that this question is one out of the common range of subjects coming before this House, and therefore I hope that members of this House will deal with the question in a statesmanlike manner, and in such a way as will promote the interests of the Province which we have so much at heart. (Hear, hear.) I hope that we shall deal with the matter in a spirit altogether aside from local influences and party ties, and that the result of our deliberations will show that the Quebec Legislature can and does deal with important national questions in a broad, statesmanlike manner, and not in a petty, local, sectional spirit. I now, Mr. Speaker, proceed to deal with what is proverbially an exceedingly dry subject, and which requires far more ability than I possess to make it at all interesting—that is,

the matter of figures and details of accounts. I intend to go into a short summary of the receipts and expenditure of the past year, in order to give information to members of this House, especially as we have a good many new members not particularly acquainted with our system of keeping the Public Accounts,—and also with the view of affording information to the public, so that they may have an opportunity in a short, succinct form of seeing what the revenues of this Province amount to, and how the expenditure is made, and in order that they may be able to form an intelligent opinion regarding the financial condition of the Province. The Public Accounts, containing statements of our receipts and expenditure for the past fiscal year, have been before the House for some time. I trust they will be found satisfactory. In order not to mix our usual revenue and expenditure with the proceeds of the loan in England for railway purposes and the payments made to various Railway Companies, there will be found a statement in the Public Accounts of the amounts paid to these Companies up to the 30th June last. I find upon comparing the estimated receipts, as given to the House on January the 13th, 1874, for the past year, that the actual receipts were some \$280,000 more than estimated, exclusive of railway moneys and the Tanneries land deposit, and that the actual expenditure somewhat exceeded the estimates for the same period, unforeseen circumstances requiring a little more expenditure. I will now proceed, Mr. Speaker, to give a short statement of receipts and expenditure for the past year. The Public Accounts contain details of what I am about to give, and I do it, as I said before, for the purpose of giving in as short a form as I can such information to the country as will enable it to judge of the state of our finances, and that hon. members may see at a glance what revenue has been received and how it was disposed of, the details of which will be found in the Public Accounts. We have received from the Dominion Government \$1,014,712.12 Crown Lands revenue ; net revenue in

cash, \$487,070.55. This amount is less than my estimates by some \$73,000, owing to the stagnation in the lumber trade, which at the time the estimate was presented could not be foreseen. (Hear, hear—Mr. McGauvran.) I should mention, however, that on the 30th of June we had on hand in Bills Receivable, not then matured or paid, the amount of \$232,681.07, which could not well be collected without still further injuring the lumber interest, one of the most important branches of industry in the Province, and we thought that it would not be prudent to enforce collection at this particular time, as we should have done more harm than good, embarrassing trade more than it was embarrassed. In view of the financial and commercial crisis through which we are now passing, I think that the Government acted wisely in extending to these gentlemen leniency with regard to payment for Crown Lands. (Hear, hear.) It is to be remarked also, Mr. Speaker, I believe a statement was asked for by the hon. member for Lotbinière, to have the notes laid before the Public Accounts Committee; perhaps I act improperly in referring to it, but I may say that a statement will be laid before the Committee, and the House, if necessary, showing that the Government has taken such precautions regarding the notes received in payment of these accounts that I do not believe there will be \$5,000 loss out of \$232,000, the amount of notes the Government holds. (Hear, hear.) A large proportion—a goodly proportion of the notes has since been paid, as will be seen by the statement of Receipts and Expenditure from the 1st July to the 14th of November, which I propose to lay before the House, and which is now on my desk, and which will be laid before the House before the close of the sitting. Although under other circumstances I would have pressed the collections, I thought that in the interest of the Province and of this important branch of industry, upon which the prosperity of our Province so much depends, it was not wise or prudent to enforce collections too much, and thus add to the wide-spread com

mercial depression which has so deeply affected the entire country. This explanation will, I hope, be satisfactory to the hon. members of the House. From Law and Registration Stamps we have received \$154,354.49. The Law Fee Fund and Building and Jury Fund yielded \$22,715.07; Montreal Court House, \$5,962.26; from licenses of various kinds, including tavern, shop, auctioneers, &c., \$195,672.41. I find that on this item the receipts exceeded my estimate of January, 1874, by about \$60,000. I am bound to say that one-half at least of that amount may be accounted for by the fact of the change of law respecting the City of Montreal at last session. A measure is now before the House, altering materially the license fees payable for certain licenses, which cannot fail to largely increase our revenue from this source. I have not, however, taken this increase into account in my estimate of receipts for the next fiscal year, as the measure is not yet through the House. I have not calculated upon an increase from licenses, preferring, when the railway measures come down, to bring before the House my estimate of increased revenue—what may almost be called *extra revenue*, to meet the expenditure which the Province is about to undertake. The next item is marriage licenses, \$7,056.00—quite a different license from the first, and I regret to say that the receipts are not very large. Hon. members are quite aware that this fund, which is specially appropriated to purposes of Protestant superior education, under the Bill introduced by the late Attorney-General, the hon. member for Megantic, two years since, and I must say that the operation of this law heretofore has been to render to superior Protestant education very material assistance indeed, enabling them to carry on their institutions. (Hear, hear.) Educational receipts of various kinds, \$4,190.31; from Municipal Loan Fund, principal and interest, \$191,370.93; *Official Gazette*, \$21,735.90; interest account, \$101,209.18; miscellaneous items—public works; St. John's lunatic asylum; reformatory St. Vincent de Paul; fines and penalties; fees on private Bills; casual

revenue, &c., \$36,803.88 ; refund from railway account for amount advanced under Order-in-Council—South Eastern Railway Co.—on subsidy, \$38,700, making in the whole \$2,281,553.12, to which must be added the deposit in the Tanneries land case, \$53,398, and proceeds of £800,000 sterling, sold in London—\$3,697,083.33, making \$6,032,234.45 ; and on hand, 30th of June, 1874, \$1,051,404.10, making \$7,083,638.55. I now come to the expenditure for the past year, and merely give a summary of it ; the details honorable members will find in the Public Accounts. Expenditure for 1874-5—Interest on Public debt, \$123,912.04 ; charges of management, \$4,171.29 ; sinking fund [Provincial Bonds,] \$26,583.33 ; total, \$154,666.66 ; legislation, \$186,668.41 ; civil government, \$143,716.91 ; administration of justice, police, reformatories, and prison inspection, \$473,467.63 ; education, literary and scientific institutions, arts and manufactures, \$335,497.74 ; agriculture, immigration and colonization, \$224,964.75 ; public works and buildings, \$113,743.17 ; charities, including Beauport Asylum, \$125,355.71 ; reformatory and industrial schools, \$223,019.27 ; *Official Gazette*, \$11,406.45, Crown Land expenditure, including registration service, \$187,453.99 ; guarantee fund, Tanneries land, paid into judicial deposits, \$53,598 ; Beauport Lunatic Asylum investment, \$50,000 ; Tanneries land investigation, \$11,683.27 ; payments to railway companies, \$1,048,799 ; sundries—miscellaneous, \$13,688.64 ; indemnity to Beauport Asylum employees for losses of clothing, \$945.75 ; aid to distressed fishermen, Gaspé district, \$1,000 ; Township of Windsor, in trust, \$361.69 ; Municipalities Fund, \$1,441.87 ; licenses, stamps, etc., \$2,201.19 ; marriages licenses fund, \$5,432 ; fines and penalties, Justices, \$116.00 ; total \$25,187.14, making the total expenditure for the year through the Treasury \$3,198,872.39, to which must be added amounts paid by Sheriffs and collectors of Revenue out of their collections, \$29,227.67, as well as amounts credited Municipal Loan Fund ; this amount is credited to the Province by the Dominion Gov-

ernment in open account, \$190,059.33, and also warrants outstanding on the 30th of June, 1874, \$54,822.84; total \$3,467,982.23, less warrants outstanding on the 30th of June, 1874, \$28,725.99; total \$3,439,256.24; so that taking the total receipts during the year, with the amount in the Treasury on the 30th of June, 1874—\$7,083,638.55—and deducting the total expenditure \$3,439,256.24—leaves in the Treasury \$3,644,382.31, deposited in various banks as stated in detail in statement No. 2 of the Public Accounts. If we analyse the receipts and expenditure of the past year, it will be found that, taking our gross receipts with the balance on hand at the beginning of the year, and deducting therefrom the railway fund, and also deducting railway payments from our gross expenditure, we have paid our interest on our loan, sinking fund, expenses of management and the Tanneries land investigation, and that we have on hand only about \$5,000 less than we had at the beginning of the year. I take, of course, into account the loan to Beauport Asylum as an investment, and considering that we had \$232,000 of bills receivable for Crown timber dues which do not appear in this calculation, I think we have no reason to be dissatisfied with the year's operations, in view of the financial state of the country, I saw a few days since in a newspaper a statement, in which an apparent deficit of \$1,104,105.12 was shown on last year's operations; by adding to the balance on hand at the beginning of the year the proceeds of the loan in England, and deducting therefrom the gross payments, showed the amount mentioned as the loss on the year's transactions; but the writer, ignorantly or wilfully, I don't know which, did not deduct from the proceeds of the loan the payments made to railways as being extraordinary payments, out of the special and extraordinary receipts; if he had, he would have found the result as I have stated; for instance—proceeds of loan, \$3,697,083.33, less paid to railways \$1,048,799.00, leaves a balance of \$2,648,284.33, which, with a warrant unpaid—\$17,256.26, makes \$2,665,540.59, which agrees with the

statement in the Public Accounts as being deposited in various banks. In order to explain this matter further, let us take the gross receipts, including balance on hand the 30th of June, 1874, and proceeds of loan—\$7,083,638.35; deduct proceeds of loan, \$3,697,083.33, leaves what may be called ordinary revenue, \$3,386,555.02; then take the gross payments, \$3,439,256.24; deduct payments to railways, \$1,048,799, leaves as ordinary expenditure \$2,390,457.24. Taking then the ordinary expenditure from the ordinary revenue leaves the sum of \$996,097.78 cash, and by adding expense of Tanneries Investigation Committee, \$11,683.27, and investment, Beauport Asylum, \$50,000, total, \$61,683.27, shows, \$1,057,781.06, being \$6,196.95 more than last year, if the Tanneries investigation is considered an extraordinary payment, and if, as I said before, we include the Tanneries Investigation Committee expenses as an ordinary expenditure, we have about \$5,000 less on hand than at the beginning of last year, including Beauport Asylum Investment. I do not charge the newspaper referred to with intentional misrepresentations; at the same time, such incorrect statements tend to mislead the public and to prejudice their minds, leading them to form false conclusions. I will now allude in a few words to Judicial deposits. The amount deposited in the Treasury since the Act came into force in March, 1872, including interest, is \$1,742,505.12, less amount paid out on judgments of distribution, including charges, is \$1,511,227.89, leaving a balance in the Treasury of \$231,277.23, deposited in various Banks of the Province, (hear, hear), as per statement No. 13 of the Public Accounts. I need hardly mention that these deposits have no connection with our Provincial Account; the moneys deposited under the Judicial Deposit Acts are merely held in trust by the Government on behalf of suitors, payable on judgments of distribution made in our various Courts from time to time, and I am happy to say the Act has given general satisfaction through the country, relieving Prothonotaries and Sheriffs of the vast responsi-

bility in holding large amounts of money in their hands, relative to actions pending. I now come, Mr. Speaker, to the estimated revenue and expenditure of the next fiscal year. I have endeavored to make these as concise as possible, and with respect to our estimated receipts, to keep them below what we shall receive rather than to overestimate them. My estimate of revenue has heretofore been less than the actual receipts, more or less, and if I err, I would rather err on the safe side. First then, Dominion Government is placed at \$1,014,712; Crown Lands are estimated to yield \$504,726. This sum is considerably less than former estimates, and notwithstanding the extreme depression of the lumber trade, I shall be disappointed if we do not realise more than the estimate, as it will be observed we have a large amount of promissory notes which will be paid and be accounted for as cash in future receipts. From law and registration stamps, \$160,000; law fees, exclusive of stamps, \$11,600; licenses generally, \$211,000. This, it will be noticed, does not include the amount expected from the increased license duties now before the House. I thought it better to limit this statement to our usual receipts and expenditure, so that hon. members might see how ordinary expenditure is provided for, and I will at some future time present the House with an estimate of the increased revenue to meet the increased expenditure for railway purposes. City of Montreal contribution towards the erection of a female jail in Montreal, \$32,000. This amount has been guaranteed by the City Corporation of Montreal, and will doubtless be paid in during the current year or next year; the amount has been promised by the Corporation to aid the work, but has not been collected heretofore. I have considerable hopes, however, that if gentle pressure is brought to bear upon the Corporation we shall receive this at the earliest moment. (Hear, hear—Messrs. Loranger and Ogilvie.) Building and jury fund, for officers, \$6,000; Montréal Court House, exclusive of stamps, \$6,000; fines and penalties and

venue, public works, \$7,407; *Official Gazette*, \$25,750. This is the gross estimated revenue, and the expenses of the *Gazette* are paid by the Treasury Department, leaving a small amount to the credit of the *Gazette* every year. Sale of Statutes and Private Bills and fees on the same, \$2,300; Municipal Loan fund, \$40,000; House of Correction, Montreal, and Gaol guard, \$12,000; casual revenue, estimated at \$4,000; interest account, \$115,000; police (Provincial), \$35,000; making in all estimated revenue \$2,185,495. I now come to the proposed expenditure for the next fiscal year, which corresponds with the printed estimates, as submitted to the House, and will be found to agree with them. Hon. members will observe that in my statement I include not only the amounts which require to be voted but those already voted by Statute; that the gross amount proposed to be spent may be laid before the House, in order to arrive at a thorough understanding of the intentions of the Government. If I presented to the House only the amount required to be voted, the House might very probably think they were deceived in the amount voted being considerably less than the estimated receipts; but in my statement I include not only the amount for which a re-vote will be asked of this House, but also the amounts which have been voted by Statute heretofore, in order that the House may know exactly how the matter stands. Members will notice that those amounts which require to be voted are numbered from one consecutively, the amounts being included in the first column of the estimates; but before proceeding with the expenditure of next year, I take up certain items which require to be voted for the current year, the appropriations not being sufficient for the services mentioned. I do this in order to avoid the issue of special warrants by the Lient.-Governor, and to obtain the sanction of this House before spending the money. First, legislation; expenses of elections, \$13,000. I find that for the expenses of elections I shall probably require \$13,000. (Hear, hear—Hon. Mr. Malhiot.)

I need hardly explain to the House that this is rendered necessary by the fact of so many contested elections, and it would be something very curious indeed if one or more of these individuals will not require to present himself for re-election, either the same one or another (hear, hear and laughter), and therefore I put in this sum in order to cover such probable expenses. Colonization—Colonization roads, first class, \$11,000. This grant is required in order to meet certain contracts which were not completed during the past fiscal year, and as any amount, although appropriated by the House, if not spent, returns to the Treasury at the close of the fiscal year, a re-vote is required to warrant the payment in ordinary cases. Public Works and Buildings—Rent, insurances and repairs of public buildings generally, \$12,263; repairs of Court Houses and Jails, \$2,900; Gaspe Court House and Jail fence, \$720; to complete Female Jail in Montreal, \$52,000. There was something like \$30,000 odd which went into the Treasury on the 30th of June, and in order to complete the contract it is necessary to re-vote that portion of the amount necessary to complete the contract, making up the sum of \$52,000, which the House will be asked to concur in. Tanneries land suit expenses, \$6,000; total, \$97,883. I now come to the proposed expenditure for the year beginning the 1st of July next. Interest on the public debt and expenses of management, \$193,070.49; sinking fund on £300,000 sterling, at $9\frac{1}{2}$ per cent., \$38,933.33. Then comes legislation. Legislative Council—Indemnity to members and mileage, \$15,064; salaries and contingent expenses, including printing, binding, &c., \$26,443; Legislative Assembly—Speaker's salary, \$2,400; indemnity to members and mileage, \$41,000; salaries and contingent expenses, including printing, binding, &c., \$61,300; expenses of elections, \$5,000; Parliamentary library, \$3,000; Clerk of the Crown in Chancery salary and contingencies, \$800; printing, binding and distributing the Laws, \$5,500; Law clerk, salary and contingencies, \$4,000, making the total legislation amount to \$164,

7. The next item is for civil government, public departments, salaries and contingencies, \$147,900. Hon. members will find the details of this service in the pamphlet accompanying the Estimates, and in the different departments, the salaries attached to each office, the gross sum amounting to what I have stated, \$149,908. We next come to the administration of Justice, \$375,954, which will be found, I think, on the last page of the pamphlet referred to. This item is very large indeed. It was supposed that the appointment of District Magistrates would have reduced this item, but the cost of justice still keeps up. Included in this sum, however, are several items which in other Provinces of the Dominion fall on the localities where justice is administered, but in this Province the whole cost is paid out of the public Treasury, which by right should be borne by the respective Judicial Districts in which the expense occurs. I had hoped that the appointment of these officers would make a very material difference in the administration of justice, especially in this respect, but I am bound to say that I have been very much disappointed in the result. Whether it is because crime has increased, or whether it is because the punishment of crime is more complete, it is certain that a larger expenditure than heretofore is necessary. At all events, we find that this item concerning administering justice increases in amount every year, without even taking into calculation the expenses of District Magistrates. We have frequently seen, Mr. Speaker, a comparison made between the Province of Quebec and other Provinces with regard to the administration of Justice, and almost on every occasion against the Province of Quebec, but hon. members will recollect that in Ontario and New Brunswick and other Provinces a large amount of money is expended which does not appear in their Public Accounts at all, and which is not paid out of the public Treasury (hear, hear); for instance, the building of Court Houses and Gaols; I think there is appropriation of a sum of \$5,000 for that purpose, but the maintenance of the gaols and the furnish-

ing of the necessary appliances for gaols in Ontario, comes out of local taxation ; they come out of the county fund and consequently do not appear in the statement of the Treasurer (hear, hear) ; and it should be borne in mind that all these expenses comes out of the Treasury at Quebec, while in other Provinces they come from local taxation, and I am rather inclined to the opinion that the small amount which is now paid out of the public Treasury for this purpose might with very great advantage be put on the several Judicial Districts, as, in the first place, it would cost them less than it costs us for like objects, and in the next place where local expenditure is required for local improvement only, I hold that local taxation should be paid in a larger amount than has been hitherto paid (hear, hear). I feel satisfied that a thorough examination into the working of our present system, will lead to the cutting down of Provincial expenditure. With respect to the next item—I refer to that of Police, which costs or will cost \$66,000—there is no mistake about this item ; one of two things must happen, either local taxation towards the maintenance of the Provincial Police, must be increased (hear, hear), or the Provincial Police must be disbanded (hear, hear,) or we must throw the expenses of police, on the different localities that need them (hear, hear—Mr. Ogilvie). This question is now under the consideration of the Government, and it is a very serious question whether it would not be better for the Government to have a select body of men and detectives, say 15 or 20, under its charge, and paid by the Government, and to leave Cities to procure their own police protection and pay for it. (Hear, hear.) This must immediately be done, or else those localities which have the benefit of the services of the Provincial police must pay more for them than they have paid hitherto. Reformatories I place at \$45,000 ; prison inspection at \$3,700, making the total of justice, police, reformatories and inspection amount to \$490,654. We next come to education—superior education, including the usual grant to the High Schools

in Quebec and Montreal, and compensation to Roman Catholic institutions, \$78,410 ; Common Schools, the same as last year, \$155,000.

A VOICE—N increase ?

The Hon. TREASURER—I shall be greatly delighted, Mr. Speaker, when the funds of the Province will justify a larger increase in favor of these Common Schools. (Hear, hear.) I hold that no expenditure is made to better advantage than in support of this system, especially in poor localities, in poor back woods settlements in this Province, in order to give them assistance, so that each child in the country will, at all events, have an opportunity of learning the rudiments of instruction to assist them in getting a livelihood. (Hear, hear.) Schools in poor municipalities, \$8,000 ; normal schools, \$46,000 ; salaries of school inspectors, \$24,000 ; books for prizes—an increase of \$1,000—\$3,500 ; journals of education, \$2,400 ; superannuated teachers' fund, \$6,600 ; schools for the deaf and dumb, \$12,000 ; total education, \$335,910. With regard to superannuated teachers, I wish I could see my way a little clearer in order to give a larger sum for this purpose ; the remuneration of our teachers throughout the country is exceedingly shabby (hear, hear,) exceedingly shabby indeed ; a common laborer will actually receive more, not occasionally, but actually, in almost every case, than our common school teachers do throughout our country, and I do hope to see my way to be able to give a larger amount in favor of these persons who are unable to teach after having taught, as I am aware, for ten, fifteen or twenty years, but who do not receive from this fund more than \$25 or \$30 per annum. It is a shame not to give more, and I am in hopes that the Government will be able to do something more towards these very excellent schools, and more in favor of those who, perhaps, do more than any other class in the country, with the exception of the clergy, in moulding the habits of our young people, and in enabling them more

efficiently to perform the duties which it will be incumbent on them to perform in after life. (Hear, hear.) Literary and scientific institutions—I need not enumerate these; they consist of grants to medical schools, natural, historical and literary societies, &c., with an amount of \$6,250; council of arts and manufactures, \$10,000; making for education, literary and scientific institutions, &c., the sum of \$352,160. It will be noticed that the grant to the council of arts and manufactures is increased \$2,500 more than last year's grant; representations have been made to the Government and from my own personal knowledge I can state that perhaps no money that Government disburses gives a better return than this amount granted to the Council of arts and manufactures, because the expenditure is made for a class of persons that have no opportunity of attending school, on account of being obliged to labor, and at the same time they can get such instructions as they require—what may be called a technical education, in these schools, what, moreover, they can get nowhere else, and therefore I have much pleasure in adding a little to this fund, \$2,500 over last year. I think that those gentlemen who have taken this matter in hand should have the credit and honor of their efforts in order to promote technical education among an important class of our community.

Agriculture, Immigration and Colonization—Agricultural Societies, \$50,000; Board of Agriculture, \$4,000; Agricultural Schools, \$2,400; Immigration and repatriation, \$45,000; Colonization roads, first class, \$40,000; second and third classes, \$8,000; and towards the establishment of the manufacture of beet root sugar, \$5,000; total Agriculture, Immigration and Colonization, \$154,400. It will be observed that we have diminished the sum to be expended on Colonization roads in this way. (Hear, hear.) We cannot afford to build Colonization roads and build railways through these counties where we expend public money in aid of railways. It strikes me it would be better to give money in paying interest of the debt we owe for railways

than give it for common colonization roads. Of course, those counties which have no railway facilities will be considered in the distribution of money for roads, more, perhaps, than hitherto. Public works and buildings, rents, insurances, and repairs of public buildings generally, \$44,076; inspection and surveys, \$4,000; public departments, to build, on account of re-vote, \$100,000, bridge across the Ottawa river to Calumet Island, provided the Township furnish the balance sufficient to build it, re-vote, \$1,000; purchase of the Workman House in Montreal, \$16,000. With respect to the two items for public buildings and the purchase of the house referred to in Montreal, it may be observed that, although included in the expenditure of the year, they should not be considered as properly chargeable to the revenue of the year; they are permanent investments, and should be charged to capital account and be taken from the surplus in the Treasury, and not out of the annual revenues. (Hear, hear.) I put them here, because it is necessary to have them voted, but at the same time it ought to be distinctly understood that where we make a permanent investment, the Treasury should not be charged with the deficit; when making an investment which is permanent, it should not come out of the annual revenue. (Hear, hear.) The Workman House is used now for the Board of License Commissioners, for the Council of Arts and Manufactures, and the House will actually cost us less than the rental of the building. We have now opened an investment on capital account, and hereafter it will be convenient to keep such permanent expenditure separate from mere annual expenditure, as it is unreasonable, if any large expenditure is made in any one year, thereby reducing the balance in the Treasury, by investing the money in permanent works, to charge the Treasury, as has been done, with a deficit on the year's transactions. These amounts, together making \$116,000, in fact reduce our expenditure out of revenue for the year by so much, as the amount will be taken out of the surplus of cash in the

Treasury. The next items of expenditures are rents, insurance and repairs of Court Houses and Gaols, \$22,027 ; Bonaventure Court House and Gaol, \$2,500 ; Court Houses and Gaols, new Districts, for safes, \$6,000 ; total public works and buildings, \$196,203. I next come to the item of charities, lunatic asylums, Beauport, Montreal and Halifax, \$192,506. This unfortunately increases every year. I was very much struck with the remarks of the Treasurer of Ontario, which he made in his Budget Speech, to this effect, that there were over one hundred lunatics now in the prison of Toronto, the Lunatic Asylum being full, and that he was obliged to bring down a vote for an additional amount of money to build lunatic asylums to accommodate 400 patients more. I do not quite understand why the increase in the number of lunatics has been so marked during the last two or three years ; we have endeavored to keep down the number of patients by keeping out persons who were merely idiotic and not dangerous to the public, but, nevertheless, this unfortunate class of individuals is increasing not only in this Province but in all our sister Provinces, and therefore provision must be made for their maintenance. Belmont Retreat (inebriate asylum), \$700 ; Marine and Emigrant Hospital, \$2,667.67 ; Lying-in Hospital, care of Ladies of the Good Shepherd, \$1,333.33 ; miscellaneous charities, per list, \$40,510 ; reformatory schools, \$8,140. I think that amount for reformatory schools has been increased, compared with last year, but I trust that the reasons actuating the Government will be comprehended by the House. Industrial, \$7,000 ; total charities, \$252,856 ; miscellaneous, generally, \$20,000 ; collection, management and other charges on revenue, municipalities C. S. L. C., cap. 110, sec. 7, \$5,000 ; registration service, Crown Lands Department, \$50,000 ; surveys, \$24,000 ; general expenditure of Crown Lands Department, including Jesuits' estates, Clergy lands, Crown, Dominion, Seignioriness of Lauson, woods and forests, etc., \$63,550 ; *Official Gazette*, \$14,200 ; licenses and stamps, \$4,000 ; total charges

on revenue, \$160,750; making the total amount proposed to be expended during the next fiscal year, voted and to be voted, \$2,171,433.82. For special warrants, \$40,404.49. Perhaps the House will now, Mr. Speaker, as it is a matter which has created some little talk in the country, permit me to refer in a very few words to the matter of

THE JACQUES CARTIER BANK.

During the examination into the tanneries land affair before the Committee of the House, I ascertained, much to my surprise, that the deposit of \$50,000 by Mr. Middlemiss in the Bank to relieve the mortgage given as security for the title to the Leduc property being perfect, was not made in cash, but by an unaccepted cheque on the Bank of Montreal; while I had taken the precaution to obtain a deposit for cash in favor of the Government, to be withdrawn only on the regular affixed cheques of the department, I supposed that the cash had actually been placed in the bank; when I found it was otherwise I made up my mind to make enquiry into the affairs of the Bank, in order to see whether I was justified in allowing our deposits to remain in an institution which seemed to conduct their affairs in an irregular manner. When the last deposit was made, the 17th of September, 1874, (exclusive of judicial deposits,) there was no Bank in the Province which stood better than the Jacques Cartier Bank did, and from time to time sums amounting to \$165,000, were drawn from the Bank on special deposits, between September and the beginning of June last. It will be in the recollection of many members of this House that the session was prorogued on Tuesday, the 23rd of February last. Owing to an accumulation of business, I was unable to leave Quebec for Sherbrooke till the following Saturday night. On the following Tuesday morning, the 2nd of March, I went to Montreal, and had an interview with the then Cashier of the Bank, who stated that the affairs of the Bank were in a perfectly sound condition, and that although the financial pressure at that

time required the Bank to use all the available funds at its command to carry their customers along with their business, very soon the Bank would be in a position to pay our deposits without injuring the credit of the Bank. I consulted with one of the best financial men in the country the same day, who advised me, in the interests of the Province, to remain perfectly quiet, as our deposit was perfectly safe, and not to press the Bank for payment, as it might embarrass not only the Bank Jacques Cartier but, in the unsettled and unsatisfactory state of the money market, produce a financial crisis and seriously affect and damage other institutions, and produce distrust and suspicion generally in the country, the results of which it was impossible to calculate. I again saw Mr. Cotte, the Cashier, and stated to him that while I had every disposition to assist the Bank, and foresaw the disastrous effect a collapse in the Bank would cause at that particularly critical time in commercial and financial circles, I was by no means satisfied with the way he was conducting the business of the Bank, and alluded to the Middlemiss deposit as first exciting suspicions of his management.* He assured me again that everything was right, but I said I insisted on one of three things—1st, that I should personally examine into the state of the Bank for myself and ascertain its true standing; 2nd, that I should obtain personal security from the Directors of the Bank, that on delaying drawing cheques on the Bank for 60 days, excepting always the judicial deposit cheques, which the Bank should pay on presentation, they would guarantee the Government cheques should be paid on presentation after the 60 days; or 3rd, that the Bank should at once pay over the deposits to me on behalf of the Government. Mr. Cotte said he had consulted with part of the Directors, and wished for a few days' time to obtain a full meeting of the Board, and I should then get an answer what would be done. On the 6th of March I received a personal guarantee for our deposits from the Directors of the Bank jointly and severally, as proposed by

me. I took advice as to the sufficiency of the guarantee, and was assured by those who know that the Bank itself would, doubtless, be able to pay all depositors, but with the guarantee referred to the security for the Government was undoubted. I felt the responsibility to be great in doing anything to throw suspicion on our banking institutions, and believe I acted in the interests of the Government, in the interests of the community generally, in adopting the course I did at the time referred to. In the beginning of June, I directed some small cheques to be drawn on the Jacques Cartier Bank, and went into Montreal to inquire into the affairs of the Bank, in order to allow the guarantee I held to lapse for want of attention. I arrived in Montreal on the very day the doors of the Bank were closed, and after considerable difficulty obtained a renewal of the personal guarantees of the Directors for the payment of the Government deposits. It was known by this time that the affairs of the Bank had been mismanaged; it was known that the Government had a large deposit in the Bank, and it was considered of immense importance to the French Canadian portion of the community who had business with that Bank that an effort should be made to resuscitate the Bank and not to allow it to go into liquidation, in the interest, not only of the stockholders, but of depositors, bill holders, and of the community generally. The law allows of three months for a Bank in which to resume business, otherwise it must lose its charter and wind up its affairs. The Government being the largest depositor, it was stated that if the Government would give some delay as to its deposits, other depositors would do the same, the other Banks also agreeing to the same course, and an effort would be made to secure the subscription of new stock sufficient to enable the Bank to go on. The Government agreed to grant further delay to the Bank for payment of our deposits, and obtaining from the Directors a renewal of their individual guarantee, without waiver of any rights the Government, as such, had against the Bank. I am in

hopes that by the means adopted, the Bank will be able to resume business before a long time. I think the Government acted prudently in the course adopted, and doubtless a different procedure would have entailed lasting damage to other institutions and the public generally. In the settlement of the amount due the contractor for the Montreal, Ottawa and Western Railway, who owes the Bank a considerable sum, care will be taken that at least a part of the amount owing to him be kept in liquidation of his debt to the Bank, and of the debt of the Bank to the Government.

THE RAILWAY POLICY.

I now come, Mr. Speaker, to the most important part of my statement. The other part is merely formal, and I am aware it has been exceedingly dry; and I am sorry that a violent headache prevents me doing justice to the matter as I would like to do; I will, however, go on with the statement of the railway policy to the best of my ability. I feel I have trespassed very much longer on the patience of the House than I should, as I have now occupied their attention a very long time; but at the same time, while feeling this, it is my duty to give such information to the House as to enable hon. members to form a clear and definite opinion, at all events, of the intentions of the Government. The assistance we propose to grant to certain railway companies very largely exceeds what was ever supposed would be the case when the system of granting subsidies to railways was first initiated in this House. (Hear, hear.) At that time it was generally supposed that cheap railways, with wooden rails, requiring but little grading, could be built at a cost not exceeding \$5,000 or \$6,000 per mile, and would answer very well indeed in opening up the lands of our country for settlement. It was supposed that the Provincial grant of three per cent. per annum on the estimated cost of \$5,000 a mile for twenty years would answer the purpose, and prove advantageous to the Province. Permission was given subsequently to

the Government to capitalize this subsidy, which might be paid in cash or bonds of the Province. The Quebec & Gosford, Richelieu, Drummond and Arthabaska, and Levis & Kennebec—what is now known as the Quebec Central, all these railways were commenced with the view of being constructed as wooden railways,—that is, railways with wooden rails—and considerable progress was made in so building the two former. These roads were aided by a subsidy paid by the Government; the Quebec and Gosford Railway obtained, I think, from the Government some \$48,000; the Richelieu, Drummond and Arthabaska received from the Government, some two years since, something close on \$100,000. It was soon found, however, that these wooden railways did not amount to much, and that they were virtually, from various causes, a failure; that they would not answer the purpose intended, and the further building of such kind of roads was abandoned. After this, additional aid was granted by the Legislature to certain railway companies, bringing the subsidy up to \$2,500 per mile in bonds of the Province or their proceeds; in other cases, a grant of land from the public domain was given instead of a cash subsidy, as in the case of the Lake St. John, International & Megantic, Baie des Chaleurs and other companies. The grant in aid of railways was further increased in relation to certain railways, bringing the amount up to \$4,000 per mile in Provincial bonds at par or the proceeds thereof, other railways being left at the former grants. Some railway companies had the option of retaining their land grant, or of obtaining instead a cash subsidy, and several companies availed themselves of this option, preferring cash to land, while still others preferred to keep their land grants. From year to year, since 1869, pressure has been brought to bear upon the Government by hon. members of this House, and by parties outside the House, interested in various railway lines, to increase the subsidies in favor of railways having grants in their favor, and to include other new lines of road in the subsidized

list, and I am bound to say that the Government has given great offence to many of its friends for not complying with such demands. I do not know, Mr. Speaker, what your experience may be with reference to pressure brought to bear upon you by railway men (hear, hear—Hon. Messrs. Malhiot and Ouimet), but I find it entirely useless to discuss a railway subsidy with railway men (hear, hear from both sides of the House); every single line of railway that ever was projected and that we have in this Province, in which they are interested, is of the most extreme importance, and of more importance than any other line in the limits of the Province (hear, hear and laughter); the interests of the Government depend more, the safety and stability of the Government depend (hear, hear) upon a grant being given to this particular line more than to all the others (laughter); the institutions of the country generally, the interests of the Dominion and of the world depend more on a grant to one small railway than in favor of any other railway in the Province. (Hear, hear—Ald. McGauvran, and laughter.) I do not know what your experience is, Mr. Speaker, but I would sooner meet a patent rights man, or a book pedlar, or a lightning-rod professor, or any other sort of man, than a man who has railway on the brain, and who comes to ask me for a subsidy. (Laughter on both sides of the House.) Under these circumstances, and with such pressure brought to bear upon the Government, if the Government and this House have heretofore erred, I acknowledge my own error in this regard. (Hear, hear.) We have given subsidies to too many roads (hear, hear and laughter); we ought to have confined our grant to a few of the more important lines, giving them sufficient to have been of real benefit to-day, and not to have distributed our subsidies so freely throughout the country. While, though it is hard indeed to resist applications for such aid, the tendency of the policy has been to induce people in the country to build railroads which they may be unable to finish, I acknowledge my

error, Mr. Speaker, in this regard, and I think we have all erred, and I may be as much to blame for the House having erred in this respect as anybody else. The question assumes another aspect to-day; the Government of the day and the House have to deal with the railway question, as it now stands, and I hope that the discussion on this most important subject will be made in a calm, impartial spirit, entirely irrespective of party ties, and in the public interests alone, I trust the decision arrived at will be such as to show a desire on the part of this House to act in a liberal, statesmanlike manner, aside from local interest and local influence. My remarks heretofore have applied more especially to railway projects other than those north of the St. Lawrence and Ottawa Rivers extending from this City to Portage du Fort. I thought that with so many new members in the House, it might be well for them to understand the position and claims upon the Province for railway purposes, and I think that a short summary of what has been done by the Legislature hitherto in this relation would perhaps do no harm. One word in beginning, Mr. Speaker, concerning the North Shore Railway. This scheme has been before the public, if I mistake not, for some twenty years; in one shape or other it has been talked of from time to time for 25 years, and public attention has been called to the importance of a railway on the north shore of the St. Lawrence, between Quebec and Montreal. A large grant of land was given from the public domain many years ago by the Government of the late Province of Canada towards building this road; since Confederation the time was extended for the Company, and some years since the grant was renewed; subsequently this grant was reduced and changed to a subsidy, partly cash and partly lands, in connection with the Montreal Northern Colonization Railway Company. (Hear, hear—Hon. Mr. Malhiot.) Some years since the North Shore Railway entered into a contract with the Chicago Contracting Company to build the road; they failed to raise the money in England, as

they expected to do, to prosecute the work, and finally assigned the contract to the Hon. Thomas McGreevy, the present contractor, some two years ago, the present contractor failed in making satisfactory financial arrangements in England, and the progress of the work was not so rapid as was desirable, owing to the failure of the sale of the bonds, and finally the company considered it best to relinquish the undertaking, and the Government undertook to complete the enterprise, subject to the approval of this Legislature. (Hear, hear.) I have here a statement prepared with reference to this important road, a statement prepared and furnished to me, but I will not weary the House with it, as it is a mere matter of reference, but it may be of use to hon. members, I will not trouble the House with it in the meantime.

Mr. JOLY—I hope it will be printed.

The Hon. TREASURER—It will be printed ; I am getting tired, and I will get through as quickly as I can.

THE NORTH SHORE RAILWAY MEMORANDUM.

First Act of Incorporation of the North Shore Railway, 16 Vict., Chap. 100, assented to the 22nd of April, 1873; capital \$2,400,000, with power to increase it to \$4,000,000.

This Act was amended by the 18 Vic., cap. 34, and assented to the 18th December, 1854. The St. Maurice Railway (now the Piles Branch) was incorporated by the Act 20 Vic., chap. 129, assented to the 10th of June, 1857; grant of \$1,500,000 acres of land; power granted to unite with the North Shore Railway. The amalgamation took place immediately after the passing of the Act, and the legal title of the so amalgamated companies was the North Shore and St. Maurice Navigation Company. By the Act 22 Vic., chap. 56, assented to the 24th of July, 1858, the name of the Company was changed to the North Shore

Railway and St. Maurice Navigation and Land Company. The Act 24 Vic., chap. 85, assented to the 18th of May, 1861, extends the period fixed for the construction of their works. It was in 1865-66 that the friends of the Piles railway made efforts to obtain possession, for the sole benefit of this road, of the lands which belonged to the amalgamated companies. Having failed, they obtained the passing of an Act, assented to on the 15th of August, 1866, to extend the charter of the two companies to the 1st of January, 1872. It was on the 24th of December, 1870, that was sanctioned the Act 34 Vic., chap. 21, which is still in force, and will not expire until the 1st of May, 1877. The Quebec Railway Aid Act of 1874 also governs this Company. The first contract for the construction of the road was awarded to Mr. Baby in 1853-54; work commenced notably in the Palais by the construction of a wharf during the winter of 1857-58. These works were afterwards abandoned. A new contract was awarded to the Chicago Contracting Company, and signed on the 5th of April, 1872. The works under said contract were inaugurated the 18th of July of the same year; these works were closed in the following year, and the Contracting Company transferred their interests to the Hon. Mr. McGreevy on the 4th of January, 1874. The works were then vigorously commenced on the whole line between Quebec and Three Rivers, and carried on with some activity during the summer of 1871; during the winter and summer following, the works languished, and were finally closed on Nov. 1st, 1872. The Montreal Northern Colonization Railway Company, now known as the Montreal, Ottawa and Western Railway, suffered from the same cause as the North Shore; repeated efforts to negotiate railway bonds failed, caused mainly, in both cases, by the officers and others interested in the Grand Trunk Railway Company of Canada. (Hear, hear, and voice—It is too bad!) The powerful assistance of the London press was brought into requisition; sentiments entirely false, or

colored so as to give a false impression, were circulated calculated and designed to injure Canada in railway enterprises of every kind. These unfair, I had said dishonest representations, made and distributed broadcast in England produced such an impression that capitalists refused to look even at Canadian railway securities, and the result was that both the North Shore and the Montreal, Ottawa and Western Railway Companies could not negotiate their bonds, and were obliged to stop proceeding with their respective works, and notify the Government of their inability to go on to a successful termination. Taking into account the large expenditure made on these roads, the large contributions of the Cities of Quebec and Montreal and also the very handsome contributions from several other municipalities; considering the absolute necessity of completing these great highways and attracting as much as possible the carrying trade of the West to the sea board at Montreal and Quebec, by securing a connection with the Canadian Pacific Railway; looking at the action of the Quebec Legislature heretofore with respect to the liberal aid and the great interest manifested in these roads from time to time, in lands and money granted those railways and the fact that for a great part of the year the north shore of the St. Lawrence and Ottawa rivers was shut out from railway or water facilities, the Government could do no less than propose to the Legislature a plan whereby those railways might be built, and thus secure the advantages looked to for the Province from the realization of the scheme of a Grand Trunk line connecting with the Pacific Railway through an important and flourishing portion of our Province, so that there might be derived benefits which have been contemplated, looked forward to and expected from the building of this important line of road, as I said from Quebec to Portage du Fort. (Hear, hear—Hon. Mr. Malhiot.) The papers produced before the House, which some members have had the opportunity of seeing, and which all will have an opportunity of consulting before

Government has taken action upon the Railway Bill, now the action taken by these companies, and that of the Government in relation to these railways. It is perfectly true, Mr. Speaker, that these companies would have preferred, perhaps, to continue their respective organizations, provided the Government would have granted additional aid in the way of increased subsidy, or by guaranteeing the interest on the Company's bonds, so as to enable them to dispose of them in the English market, but the Government objected to such a plan, on the ground that if the Province found it necessary to incur increased liabilities in aid of these undertakings, to secure their completion, the Province should have the benefit of such expenditure rather than private companies. (Hear, hear.) While acknowledging the general principle, that as a rule railways had better be built by private companies than by the Government, the Government considered the case of the lines from Quebec to Portage du Fort as an exceptional one; large assistance had been promised and paid as fast as the progress of the works would warrant, and yet there was no prospect of success. Both companies had failed to negotiate their bonds in England. The amount of bonds sought to be sold was very large in proportion to other contributions and to the cash value of the work, and somehow or other, I do not know how, suspicions were excited that there was too much speculation connected with these railways, and rival companies in England used these representations and others of every possible kind to throw doubts, in the first place as to the necessity of these roads, and in the next place as to the good faith of the parties engaged in building them. I had opportunities while in England last summer, Mr. Speaker, of meeting these two objections repeatedly, and I have no hesitation in stating that the presentations, circulated as they were, were exceedingly hard to combat, and I do not believe that any private company, however well disposed, if they were obliged to borrow any considerable sum of money in England in the state of public

opinion during the last summer and during this winter, could by any possibility have succeeded in negotiating the bonds. It was thought that the Government undertaking works of such magnitude would convince English capitalists that this House and the country considered these railways as necessary for the development of the resources of the Province; that by investing so large a proportion of the cost of the roads, the Government would show that they had confidence in their success and that the small amount to be borrowed would be amply secured to the investors. It is well known that the statements so industriously circulated in England to the effect that the Canadian railways would scarcely pay running expenses, were circulated by parties representing companies which had received from the old Province of Quebec the large sum of fifteen or sixteen millions in aid of their construction, and on at least one other of these railways a very large amount was also expended—the Toronto and Cellingwood line. Mr. Speaker, mismanagement has more to do with the non-payment of interest by some of these companies than want of traffic and Canadian winters, about which we hear so much, and which are so much blamed for the non-payment of interest on bonds. I believe, Mr. Speaker, that the Government, by using its credit to a limited extent, can build the line of railway referred to at less cost than any private companies could (hear, hear,) and that by at once taking advantage of the low price of iron and steel, which enter so largely into the cost of railways, it can be demonstrated beyond a doubt that it is possible to build railways in Canada without jobbing, without enriching contractors and managers of railways and others (hear, hear), engaged in the management of railway enterprises, and at such a cost as will ensure its success beyond question, from the legitimate traffic which the country will furnish, and provide not only security for interest on the bonded debt, but a return to the Government and municipal corporations in the shape of at least a portion of

their interest on their respective contributions. The amount of bonds authorized by law heretofore to be issued in aid of the North Shore and Western Railways over and above the subsidy granted by the Government, and the municipal aid and private stock was very large, and doubtless had something to do with causing the failure of the negotiations in England. Applying a *pro rata* amount to the extension of that line from Aylmer westward to that allowed for the North Shore and Montreal, Ottawa and Western Railway Companies, we find that about \$9,000,000 in bonds were authorized and required to finish and equip the entire line from Quebec to the connection with the subsidized end of the Pacific Railway, now in course of construction. It was little wonder that advantage was taken of this large issue of bonds by the enemies of the enterprise to suggest doubt as to the railways paying interest, at least for a few years, till the traffic was developed and the western connections fully in operation. These considerations afforded another inducement to the Government to secure the building of this line of road, and to show capitalists not only the probability but the certainty of interest being paid on the small amount of bonds to be issued, by reducing the amount to a minimum, and allowing them to rank first upon the security of the road and its earnings, the Government being willing to come afterwards in connection with municipal corporations. Mr. Speaker, in order that the whole question might be brought fairly and squarely before the House; in order that hon. members should be able to see the whole scheme, not only from Quebec to Aylmer, formerly under contract, but from Quebec to Portage du Fort, to a junction with the eastern end of the Pacific Railway, the Government decided to include the line from Aylmer westward in the plan to be submitted to the House. It was considered better to give the House full information as to the full extent of the proposed liabilities, as stated, rather than divide the scheme into two sections, bringing down part this year and part

next year. It is evident that to make the line a success from Aylmer to Quebec it must be extended westerly, as proposed, and it was thought better that the House should see and understand the intentions of the Government and the extent of the increased liability the Province would have to assume in the whole enterprise, than to merely present the scheme from Quebec to Aylmer, and leave the House in ignorance of another demand which must be made at some future time. The whole scheme of the Government must stand or fall together, and I feel sure hon. members will see the propriety of being informed of the cost of the entire line rather than partial information of the intentions of the Government on this important subject. In order better to state the cost of the line from Quebec to Aylmer for the information of the House and the country, the Government have entered into a contract, subject to the approval of the Legislature with the former contractors—the Hon. Thomas McGreevy for the North Shore, and with Mr. Duncan Macdonald for building the Montreal, Ottawa and Western portion as far as Aylmer, inclusive of the branches to the Grand Piles and St. Jérôme. The Government thought these gentlemen entitled to the first offer of carrying out their respective contracts, provided they were disposed to do so on reasonable terms. This obviated much difficulty in settling with them for work partly done and materials furnished and on the line, which being done and furnished at a higher basis than their new contracts, naturally inclined them to think they should be paid at the old contract prices if they were not allowed to finish the work. Taking into account that the entire main line of both roads will be laid with steel rails of the first quality, instead of iron, and with respect to the North Shore embankment raised in many places very much above what was first contemplated, so as to meet the views of the Government engineers and the report laid before the House last winter; the line extended to deep water in the harbor of Quebec; that four of the largest bridges across the St.

nn's, Batiscan, St. Maurice and Ottawa rivers, are to be built of iron instead of wood, and that bridges on the Montreal, Ottawa and Western line, upwards of 50 feet span, are to be built of iron instead of wood, and laid with steel rails, it will be found that the contract prices for these roads are low, and that while with good management on the part of the contractors, a fair profit for the risk and expenses may be made still, no one can complain that the price is too high, or more than a first-class railway can be built for. (Hear, hear.) I may mention that the Government obtained the opinion of their own engineers, as to the value of the work to be done on a cash basis; that is, so as to secure a first-class road in the country. If we look at the cost of other first-class roads, we will find that they cost more than what it is estimated the proposed line will amount to. Take the Grand Trunk Railway, Great Western Railway, the Northern Railway from Toronto to Collingwood, the European and North American Railway, the Intercolonial Railway, and it will be found that these railways cost from \$36,000 to \$50,000, including rolling stock. I have a report from the Government engineer on these railways, which, on discussion of the resolutions, may be referred to. I shall not allude to this report because it will have an opportunity of coming before the House afterwards.

Mr. JOLY—Will that report be printed with the other papers?

The Hon. TREASURER—No, sir; it is something handed to me privately by the Government engineer, for me to make use of. It was only received on Saturday night, and I shall not be able to make use of it as I would have wished to, but when the discussion comes before the House as to the different contracts. I will give the House such information as I received myself. There is another point I would like to mention, and that is this—that in the gross amount to be given to these contractors, it is perfectly

understood that the preliminary expenses of the two companies are included—that is, expenses in connection with the organization of the companies, with surveys and office expenses; these are included in the gross sum mentioned in their respective contracts, but this I must say, and I cannot say less—I want to say it in justice to the parties with whom we negotiated, that is, the individuals who compose the North Shore and Montreal, Ottawa and Western Railways, submitted to us for preliminary expenses an amount which was exceedingly moderate indeed, and we found these gentlemen disposed to accept what the Government thought was a fair thing, in order to reimburse them for the amount of money actually spent. There were other charges not so moderate, and which might with propriety have been included, but charges which Government did not see fit to include in the contract, as possibly some of them might not be considered legitimate; therefore the amount of preliminary expenses, I think, in connection with the Montreal, Ottawa and Western Railway, amounting to \$57,000, has been added to the amount of the contract included in the gross sum.

A VOICE—Does it include payment of stock?

The Hon. TREASURER—It includes payment for stock as well as preliminary expenses. Of course the stock of the private shareholders is to be refunded, and by the contract of the Government the right is retained to keep in their hands moneys for that purpose. Previous to obtaining the estimates of engineers on the value of the work and materials, I obtained from the engineers of the two roads detailed specifications of the different kinds of work and materials required to finish the two lines, inclusive of stations, buildings, rolling stock, &c. I set to work and placed, from the best information I could find, prices to the various kinds and quantities of works and materials which enter into the construction of a railway, and in comparing the gross result with that of the engineers, I found mine

considerably lower than theirs, and the contracts were closed at my estimation and figures, and at prices which will bear comparison with any other first-class road in the country. To these schedules I affixed such prices as I thought would give fair remuneration to the contractors for this work. I made up estimates of what I thought each road should cost, taking the North Shore by itself, the Piles Branch by itself, and taking the Montreal Northern Colonization road by itself, and I am bound to say that my figures were considerably less than those given in by the engineers, and after examination of the matter, and consultation with the parties who were formerly the contractors, I came to the conclusion that the figures which were submitted to them were a fair price for the work done, and to be done. (Hear, hear.) The engineers of the road gave me their opinion as to the different kinds of work to be done, and upon figuring it up I found that amount to be a certain gross amount, and the contracts were not entered into by these people upon a given sum per mile, as some have supposed—that is, of some \$30,000 odd, but we reduced the amount down to something like \$27,000, or thereabouts, and the amount was arrived at, after placing before each single item in the schedule and specifications a given price and fair price for the work and the sum total of these figures, were submitted to the contractors, and which they accepted for the work, as stated before, were considerably less than the estimates given in by the engineers for the work. I mention this in order to show that the Government did not go blindly into that matter, but that we went into it after due deliberation and after close calculation to what we supposed the value of the work to be, and not at hazard, giving us the certain amount without obtaining proper information. As I stated before, Mr. Speaker, I am satisfied that when the quality of the work is considered and the kind of work these gentlemen have bound themselves to furnish to the Government, and the amounts of their respective contracts; taking also into

account the fact that they have to repay shareholders amounts of their private stock and reimburse preliminary expenses of companies, I think this House will be satisfied that the Government have made a fair and equitable arrangement with these gentlemen, and I am sure no one can complain that we have given too much for the work we asked to be done. (Hear, hear—Hon. Mr. Malhiot.) It is amusing, Mr. Speaker, to read the published statements and to hear the remarks of parties as to the cost of the line of road, and of the extent to which the Province will be indebted in carrying out the plan proposed; one hardly knows which to admire most, the self-conceit which leads some to write and speak on a subject of which they know nothing (laughter), or the utter ignorance displayed as to the cost of railways and of our condition as a Province. I could not help shuddering at the statements put forth by certain parties as to the cost of these railways; it is fearful to contemplate the awful condition to which the Province will be reduced, according to some, when our debt will be increased by the proposed scheme to \$16,000,000 for railway purposes; no possibility of cutting off expenditure; no possible way of increasing our revenue to meet this enormous debt but by direct taxation; our poor habitants and settlers in the backwoods will first be ruined by direct taxation, and then obliged to flee from the Province to earn a scanty subsistence elsewhere. If parties, Mr. Speaker, before drawing on their imagination to enlighten others, would quietly inform themselves of the facts of the case, and reason from these before attempting to inform others, it might shorten somewhat their labors and be quite as edifying to others, and creditable to themselves. One writer I allude to, who did us bad service on the other side of the water last winter, who had but little confidence in the intelligence of the members of this House, and immense confidence in his own knowledge and capacity to enlighten not only on the railway policy of the Government, but also on financial matters connected with this policy; he issued a

ircular, and distributed it to the members of this House. There was no signature attached (laughter); these kind of instructors are exceedingly modest; indeed, they wish their opinions to be judged on their intrinsic merits, and are afraid the weight of their signatures might lead people to accept their statements without sufficient examination. Well, the writer stated in substance that this Province could never afford to build a railway; it would be ruined beyond peradventure as our revenue was so small and expenditure so large; the Province had better pause before involving itself in utter destruction.

Hon. Mr. OUMET—Take him as Treasurer.

Hon. Mr. ROBERTSON—Yes, take him as Treasurer; I have no objection. Among his other brilliant statements, he said in substance that if the Province had owed \$4,000,000 in 1867, we would have been \$1,200,000 in debt for interest up to this time, and with this *fact*, as he calls it, staring us in the face, how unwise to contract a debt of \$16,000,000 for railways. (Hear, hear.) Only \$1,200,000 in debt for interest, if we had owed a debt of \$4,000,000 in 1867; it's awful to think of it! The writer had evidently been examining or trying to examine our public accounts, and succeeded about as well as some honorable members of this House in their examination, and of the railway question; and then giving figures as to revenue and expenditure, concluding by asserting our inability to build railways and pay interest on our debt. For the information of the writer who took so much pains with the circular referred to, I may state what every member of this House knows very well, that in 1867, when we entered into Confederation, this Province owed the Dominion Government jointly with Ontario about \$11,000,000; the surplus debt of the late Province of Canada over the \$62,500,000 assumed by the Dominion at Confederation. We were therefore in debt about \$5,000,000 in 1867, and paid on interest between July the 1st, 1868, the end of the first year after Confedera-

tion, and July the 1st, 1873, the time the Dominion Parliament assumed the surplus debt mentioned, and relieved the Provinces of Quebec and Ontario from that liability--the sum of \$1,163,367.90 standing to our credit with the Dominion, and more than that, we have expended for permanent improvements during the period mentioned about \$900,000; and more than that still, we had about a million dollars surplus in the Treasury. (Hear, hear.) If the quotations given be taken as a fair sample of what reliance should be placed on the statements of the circular referred to, that man is to be pitied who is influenced by it. The man who wrote that circular and placed such a statement as this before the House, must have known or ought to have known we had paid over one and a quarter millions since 1867 on the debt, that we have paid \$900,000 for permanent works, and that we had actually one million in the Treasury; still he says that if we then owed four millions we would be \$1,200,000 in debt! (Hear, hear.) The Government, in proposing to submit to the Legislature a scheme for the completion of the line of railway from Quebec to Portage du Fort, took into consideration the ways and means of providing money for the work, and I am pleased to say that the Corporations of Quebec and Montreal at once agreed to pay the balance of their subscriptions to the Government, if the Government saw fit to undertake these roads in aid of the work, and other municipalities, it is understood, are willing to follow the same course, and there will be a provision in the law to be introduced sanctioning and confirming these grants made by the several municipalities, especially the grants by the cities of Montreal and Quebec. (Hear, hear.) It may be recollected that the Legislature of this Province had already granted upwards of 2½ millions of dollars cash subsidy towards the railways from Quebec to Deep River, in the County of Pontiac, and also granted the lands in block A to the line from Quebec to Aylmer, and 10,000 acres per mile; 900,000 acres for the line from the latter

point to Deep River, in all something like 2½ million acres of land besides to aid this enterprise. The cash subsidy formed part of the 6 millions which I stated a year ago had been promised in aid of railways by this House. This fact seems to have been overlooked by some in estimating the entire cost of railways at 16 millions. It was supposed at the time that the line west of Aylmer would extend to Deep River, but from information since received it is expected the Ottawa River will be crossed at or near Portage du Fort. That is, a connection with the subsidized end of the Pacific Railway, which will shorten the distance nearly 40 miles. It is to be borne in mind that the figures I shall give presently of the cost of the whole line of railroad includes the preliminary expenses connected with the respective companies, the engineering office and other expenses, the refunding of payments of stock by private individuals, and all future engineering expenses except the Government engineers and payments of \$10,000 a year towards the expenses of the Commissioner under the law as provided for. The contracts also provide for a fair amount of rolling stock, stations, buildings, repair shops, water tanks, &c., sufficient for quite a number of years at least for the accommodation of the line. It will be noticed also, Mr. Speaker, that to simplify the question the whole cost of the roads is put down, irrespective of payments made on the Progress Estimates, and that credit is taken for the whole proceeds of the loan in England, so as to simplify the matter for members, and so that they won't have the distinction between what has been paid on one side and what has been borrowed on the other. I include whole cost of railways on one side. I include the whole amount of the loan in England upon the other side, because it makes no difference whether any amount has been paid towards work or whether it has not been paid; it does not affect the standing of the figures in any way whatever, and it simplifies the question as far as regards members obtaining a full understanding of it; keeping in mind, therefore, that

the contractors, out of the gross amount mentioned in their respective contracts, have to pay all preliminary expenses and stock payments and future expenses, with the exception mentioned. I now come to the details of the scheme, which I trust will be found sufficiently clear and satisfactory; and first I take the North Shore Railway, 158 miles of what is called the main line with steel rails and four of the largest bridges (iron), and the Piles Branch of 27 miles, with iron rails and wooden bridges, steamboat wharf extension to deep water, and all included under the contract price—\$4,732,387. Montreal, Ottawa and Western Railway—123½ miles of main line, with steel rails and iron bridges over 50 feet and branch to St. Jérôme; 14 miles of iron rails and wooden bridges \$3,601,649.95.

Mr. MARCHAND—Is the St. Jérôme branch included in the 123 miles?

Hon. Mr. ROBERTSON—Fourteen miles in addition to the 123, as to the St. Jérôme branch. Aylmer to Portage du Fort, estimated 50 miles,—without rolling stock, at \$20,000 a mile, \$1,000,000; total \$9,334,036.95, and in order that no mistake may arise in the amount which the Government proposes to ask this House to appropriate, I have in addition to these sums mentioned added 5 per cent. upon the whole cost of the road; five per cent. upon \$9,334,000 amounts to \$466,701; that is to provide for unforeseen expenses and to provide superior accommodation for passenger purposes in the city of Montreal, and to assist in building a bridge across the Ottawa river, making altogether for these three roads \$9,800,738.75. In order to see the whole position, I add to this the grants to other railways by statute other than these mentioned, \$3,854,820. I have prepared a list of all grants promised to railways in the Province, and I find they amount to a given sum; I take from this given sum the amount paid to the Quebec and Gosford road—\$48,000, and I take the amount paid to the Richelieu, Drummond and Arthabaska \$99,180, and I find the balance

to be \$3,354,820, which has been appropriated to other roads than the North Shore line.

Hon. Mr. OUMET—How much ?

Hon. Mr. ROBERTSON—\$3,354,820 ; making in the whole to provide for \$13,155,558.75 ; I have left off the odd cents. (Laughter.)

Mr. LORANGER—Don't mind now.

Hon. Mr. ROBERTSON—Mr. Speaker, I will endeavor to show what we have on the credit side of the account in deduction of the amount stated, and I think in allowing \$466,701 as extras, there is no chance of the amount being larger than I have intimated (hear, hear) : I take, in the first place, subscriptions of the cities of Quebec and Montreal, amounting to \$2,000,000 ; upon this I estimate no discount at all, for the simple reason that arrangements have been made with the contractors to take the bonds of these two cities at par for cash. The Government may keep bonds and pay cash ; at all events the subscriptions of the cities of Quebec and Montreal are equal to cash, as far as the contractors are concerned, that is, to the extent of two millions. Three Rivers, sub-contractors, \$100,000 ; St. Sauveur, \$25,000 ; Ste. Thérèse, \$25,000 ; St Jérôme, \$34,000 ; Lachute, \$25,000 ; Ste. Scholastique, \$10,000 ; County of Ottawa, \$200,000 ; adding up these, I estimate, in order to make them equal to cost, a discount of 15 per cent., making \$356,150. Adding to these sums proceeds of the loan in England, and when I say the loan I mean the actual receipts, \$3,697,083.33 deducted from the cost of railways and grants, leaves \$7,102,325.42 to be provided for yet. To provide for this amount we have the lands granted towards the whole line of road, amounting to 2,727,000 acres, which, although not giving us any revenue now, will unquestionably be worth all and more than they now are called in a few years' time, and will give to the Province all the additional amount which the Province is

called upon to disburse for the line of road from Quebec to Portage du Fort (hear, hear), and in saying this I am not speaking without authority, because I am able to say this—that parties are prepared to give a price for these lands, which, to say the least, will be equal to the amount that Government will expend upon this road over and above the former appropriation. (Hear, hear—Hon. Mr. Malhiot.) Therefore, I think I am safe in saying that although lands do not yield any immediate revenue, still they are worth to the Province all they cost. (Hear, hear.)

Mr. JOLY—Parties are prepared to give a price for the land?

Hon. Mr. ROBERTSON—Yes.

Mr. JOLY—Why don't you give them?

Hon. Mr. ROBERTSON—I don't know why (laughter); I may say that I have written to parties to obtain the names of their associates, and see that they are a right class of men, as I have no doubt they are. I have a letter from one this morning on the subject.

The hon. gentleman proceeded as follows:—By these figures the amount proposed to be raised to build the road—the whole road—is \$4,102,325, and it is proposed to issue upon bonds secured upon the whole line of railway, 372 miles, a sum not to exceed \$8,100 a mile, three millions of dollars, and this makes provision for the line, and is the amount proposed to be given for the line running from Quebec to Portage du Fort. (Hear, hear.) We then require, Mr. Speaker, to borrow, in order to meet our engagements, an amount which will not be all needed, because there is no question but that several railways will probably not be built; but should they be built, and should they call upon the Province for the subsidy now granted, the amount required to be borrowed will be \$4,102,325.

Mr. JOLY—Deducting value of land?

Hon. Mr. ROBERTSON—No, no, no. We have lands outside of that; we do not call them worth anything so far as this loan is concerned, but of course they would be worth something, worth all paid for them, but nevertheless we do not raise anything on the land; neither are they included in this portion of the scheme. What I mean to say is this, in order to carry out present contracts for roads from Quebec to Aylmer, and from Aylmer to Portage du Fort, and all other lines of road we have subsidized, we will require \$4,102,325, and with three millions of bonds issued on the security of 372 miles of road, this will suffice to complete the whole scheme as proposed by the Government to-day, and then in order that the House may know precisely how we would stand, take \$4,102,325, which may be the amount required to be borrowed, just as roads are built, and take and add to that amount a sum which we borrow in England and then we have found a total of something less than eight millions of debt proposed to be put on this Province if the scheme of the Government is carried, and for every mile of railway subsidized and heretofore built. (Hear, hear.) This is a true statement of the position assumed by the Government and submitted to this House.

Mr. JOLY—I will ask a question, not for the purpose of interrupting, for I know the Treasurer said he suffered from sickness, but allow me to ask him a question. The hon. member said that the total amount would be thirteen millions of dollars.

The TREASURER—Yes.

Mr. JOLY—The hon. Treasurer said that the subscriptions of the Quebec, Montreal and other municipalities—

The TREASURER—Certainly.

Mr. JOLY—And of proceeds of loan—

The TREASURER—Certainly I take that.

Mr. JOLY—He stated that after an estimate of these assets, if the assets be taken from the thirteen millions—

The TREASURER—Yes.

Mr. JOLY—It would leave seven millions?

The TREASURER—Certainly, that was what I said.

Mr. JOLY—Therefore, in order to provide for these seven millions—the Treasurer stated first the value of the land, and then said this is not to be put down as representing money.

The TREASURER—No.

Mr. JOLY—And then the hon. Treasurer says we will have to borrow \$4,102,000. Very well; now out of seven millions of dollars required, I see \$4,102,000 to be provided for by loan, but I do not see where the other three millions are to come from.

Mr. ROBERTSON—I stated that it was proposed to issue upon the security of the road from Quebec to Portage du Fort, an amount of bonds not to exceed three millions of dollars (hear, hear, from Mr. Malhiot and other members), that was what I stated, while the road with branches will reach a length of 370 miles, a debt of three millions being contracted upon the whole line of road, that is the proposition which I submit and which I hope is perfectly understood.

Mr. JOLY—Thank you.

Mr. ROBERTSON—As I stated before, the total amount of our debt in case every mile of the road is built taking into account the amount of the new debt and the amount of old debt at its face, without discount on bonds, would amount to a sum a trifle less than eight millions of dollars, and this is certainly somewhat less than fifteen or sixteen millions, (hear, hear,) even if we add three millions of bonds

it If we can sell these bonds, and no doubt we can under the arrangements proposed, then the House will distinctly understand the case as to the amount of debt. In all events, as stated a few minutes ago, the increased amount to the road from Quebec to Portage du Fort, will be something less than two millions more than it was before. I believe that we might have increased the amount of the bonds to be issued on the security of the railway and equipment, but it was thought better to reduce the amount to a minimum so as to show capitalists in England that the Government and the cities of Quebec and Montreal were not afraid to place their money to the amount of two-thirds of the entire cost of the road and gave capitalists security not only on our own two-thirds but upon the expenditure of their own one-third for a guarantee for the payment of interest from year to year. (Hear, hear.) While I expect, Mr. Speaker, nothing less than that efforts will be made to depreciate the value of these bonds in England to prevent their sale, at the same time there is little doubt but that parties seeking investment for capital will be satisfied with the security offered; that it is ample, there is no kind of doubt; that the earnings of the road will be sufficient to pay the bonded interest, there can be no question. Propositions from parties have already been made for a lease of the line, but Government of course, was not in a position to enter into any contract for that purpose. Still, there is no doubt that perfectly responsible parties are quite prepared to lease these roads if Government do not see fit to run them themselves which I think they would not do (hear, hear.) in order to secure payment of interest to capitalists. (Hear, hear). Power will be asked in the Bill to be brought down to lease the road to a company of individuals, subject to ratification of the House, the same as was done for the construction of the work.

Mr. OUMET—To lease the road ?

Mr. ROBERTSON—Yes. I would have wished, if time permitted, to produce a statement as to the probable traffic

receipts of these roads, but I can only refer gentlemen desirous of informing themselves on the point to a very elaborate report prepared by the engineers of both roads as to the probable traffic. Judging from the receipts of other roads and the statistics arranged by railway men, and proved to be correct, and as to the working of these roads reports will be found useful. I prefer to refer them to these papers rather than to attempt to give any figures of my own. I am aware, Mr. Speaker, that people have objections to Government building railways, and perhaps there are more objections to Government running railways after they are built, and I am rather inclined to that opinion, while I believe Government in circumstances of this particular case, can build this railway cheaper and at less cost to the public than any private company could, taking into account the state of the English market; that possibly it would be better policy for Government hereafter to lease the road to a company rather than to take and run it as a Government work. Some of my friends, Mr. Speaker, will naturally ask me to explain what I stated last year, that six millions would be all I thought the Province would be able to give. (Hear, hear.) In reply to that, Mr. Speaker, I would merely say this, that necessity knows no law. (Hear, from both sides of the House.) We are under the necessity, painful though it may be and pleasurable though it may be—we are under the necessity, I take it as a Government to assume the construction of this great northern Grand Trunk Railway from the westward, and in doing so it is the business of Government to provide ways and means for the purpose of paying interest and sinking fund upon extra outlay, and I have no hesitation in saying that this Province can well afford it. I should not have been afraid at all events to provide means, if necessary, to give a larger amount than what is proposed (hear, hear), provided the House was disposed to furnish ways and means, and they would even propose means without approaching anything like direct taxation for railway pur-

poses, placing no more burdens on the people of this country from year to year than are placed on people of other Provinces of the Dominion. I have already made provision in the license resolutions for a large increase of our revenue, and I have no doubt that in the administration of justice a saving may be effected, and with respect to police and other items; so that there will be no difficulty, as I view it, in making up a sufficient revenue to justify this extra outlay of Government in aid of railway construction. It will be borne in mind also what I stated last year—we have in the hands of the Dominion Government one and a quarter millions of a trust fund, and three-quarters of a million in the hands of the Ontario Government arising out of a certain school fund belonging to both Provinces before Confederation, upon which these two Governments are now paying interest. This question, Mr. Speaker, as to the amount of the debt to be due by the Province of Quebec is one which requires of Government and of the members of this House most careful consideration. It should form an ingredient in forming an opinion as to the amount of debt we are able to assume regarding the purpose or purposes for which this debt is created—that is, for construction of railways which will benefit the country by introducing new sources of industry, and by providing better means of communication towards our centres. It would be the means of enabling our farmers to get better markets for their produce and assist us in establishing various kinds of mechanical industry, which we can establish, but which we never could do so or carry on without railways; then I think we might be justified in assuming a certain amount of debt for such interests as these, when we would not under other circumstances procure these benefits, and especially if indirect benefits to the Province were not to be so great. (Hear, hear.) I consider, Mr. Speaker, the railway policy of the Government as proposed, the most important that was ever introduced into this Legislature of Quebec. (Hear, hear, from both sides of the House.) The

consideration of this question rises far above party lines or party feelings. We ought to look into this question as business men and as a matter of business. It should be judged upon its own merits, and if we find that the Province cannot stand the amount of debt we are proposing to put on it, this House should reject the measure in the interests of the Province. The overthrow of this Government or of any other Government is a matter of very small importance compared with the interests of this Province at large. We are guardians of these interests at present, and it becomes us in looking at a question of this magnitude to examine carefully and calmly deliberate in an impartial manner in such a way that we will be able to give to this country our opinion on this question irrespective of whether the members sit on this side of the House or the other side of the House; whether members support the Government or support the Opposition (hear, hear); I take it that regarding a question of this kind, Mr. Speaker, we have no party, and that we have never had party feeling heretofore displayed. I am bound to say some members sitting on the other side of the House have so far supported the policy of the Government. (Hear, hear.) If the Government policy is a bad one, they are bound to oppose it, but if good I am confident they will support it. Touching this question, every member of this House should act independently with a view to the future interests of the country, letting the Government stand or fall. For myself, I have little fear that the House will not coincide with the Government in this relation and justify it in taking up a work of this magnitude in the interests of the Province. (Hear, hear.) I have given, Mr. Speaker, all the information that lies in my power respecting this question; I think that no member will accuse me of holding back anything. The hon. member for Lotbinière has at times, either jokingly or otherwise, accused me of being reticent in giving information on financial matters (hear, hear,) but members, on whatever side of the House they may be, will, I think,

give me the credit of presenting in connection with the
 Government's policy, a fair *exposé* of all the matters con-
 cerned. I think no one will be able to say in future—
 you deceived me, either as a member of this House or as a
 member of the public. As to the amount of revenue I
 expect to receive, or the amount of expenditure which I
 propose to submit to this House, I am satisfied that the
 expenditure will be kept within the limits; and I am
 satisfied also that the revenue which we expect to receive,
 and will receive, will rather exceed the estimate given to
 this House. I do not want it to be said by anybody here-
 after, in one month or in two months, or in two years. The
 Treasurer of the Province brought down schemes and kept
 back information, leading me to vote in favor of his policy,
 and leading me to support the measure, when, if I had
 known the facts of the case as I do to-day, I would have
 voted against such a policy, this, I think, I am enabled to
 say in my own justification, and I think the House will
 bear me out in stating that there is no mode of obtaining
 information, no means of information at my command
 which I have not communicated to the House. If every
 mile of the road, as I said before, is to be built which is just
 now proposed, the amount of money required will be
 precisely what I have stated, but if the whole amount should
 not be needed, the debt of the Province will be so much
 less, possibly giving the Government an opportunity here-
 after of making a redistribution of the moneys to roads that
 are now languishing for want of aid, if the Government at
 the time sees fit to do so. (Hear, hear.) I believe, Mr.
 Speaker, with the increased facilities which the carrying
 out of our railway system will give to every department of
 industry in our Province, that our people can well afford to
 pay the amount of extra taxation necessary, far better than
 they could afford to do without these railways, and to go on
 with the old one-horse system (hear, hear), such as we were
 obliged to follow until the railway mania or fever took
 possession of the public mind, and although private parties

may suffer, I firmly believe this—that it is within the power of the people of this Province to build railways and to have a bonded debt so small that instead of railways in Canada being a reproach and a by-word, as they are to-day, on the English market, owing to the non-payment of interest on their bonds, we can show the people in England that we can build railways, run them and pay their interest, and while it is a great benefit to us they will run no risk themselves, and the interest and sinking fund will be as sure as in any investment they can make. I expect to encounter difficulties in carrying out this scheme; I expect that in the House, with reference to the course adopted by the Government there will be a great many things arising against which we must fight (hear, hear); I expect nothing else, but I trust and hope that the House will so act concerning this measure as to show that there is no division of sentiment amongst members as to the matter of these great thoroughfares which are to be constructed, and that it will not be thrown into the teeth of those who go to England to negotiate these bonds, either of the Government or of the railroad, that we are a divided Province and a divided people; that the measure was carried by a bare majority, and that about one-half of the Province is against as compared with those in favor of the measure. Hon Mr. Speaker, a few words as regards what we usually called South Shore Railways. (Hear, hear.) The Government did not think it prudent in the present state of the finances, and in view of the figures which I have given to the House (of course, they have been laid before my colleagues), the Government did not think it prudent, I say, to further increase the debt of the Province by granting an additional subsidy at present in aid of these enterprises.

Hon. Mr. OUMET—Was it impossible? Is it impossible to increase the amount of subsidies?

Hon. Mr. ROBERTSON—I have no hesitation in stating that the Province, provided the House will vote ways and

means to pay interest and sinking fund, could just as well afford to have given a few hundred thousands more as it can to give the sum I have mentioned (hear, hear); it is entirely a question of ways and means as to the amount this Province is able to stand.

A VOICE—It depends on the Treasurer.

Hon. Mr. ROBERTSON—Yes; it depends on the Treasurer. If you pass the measure the Treasurer brings down, and be prepared to swallow the item as nicely and smoothly as castor oil, there will be no trouble in finding money for the railways, but whilst looking at the interests of the Province, though this House were ever disposed to grant ways and means to an exorbitant extent, this would be no excuse, and we must not oppress the people more than the state of the country's finances will warrant, but the Government will introduce measures which it is supposed will afford a certain amount of relief to South Shore Railways; that is, to enable some of the companies at all events to prosecute their work; but instead of paying the subsidies granted to these roads in cash, for sections often miles of completed road, the Government will guarantee a certain amount of interest upon a certain amount of bonds for a given number of years, so as not to exceed the grant of \$4,000 or \$2,500, as the case may be, in order to enable these companies to sell their bonds better to capitalists in England, the great objection to the sale of these bonds in England—the one great objection being that there is no provision made for the interest of these bonds during the two or three years absorbed in the construction of the roads,—and with these provisions, that the Government might, for four or five years, as the case might be, guarantee a certain amount of interest on a certain amount of bonds per mile for a series of years, not to exceed the present grant, in order that the bonds may be sold in such way as to enable these roads to prosecute their work, because there can be no question in my mind that, by reason of the small

amount of bonds proposed to be raised by the different railway companies, the interest on these bonds will be met otherwise. It was foolish indeed to undertake the construction of the railway, if, with the aid given by the Government, and aid given by municipalities, and aid given by private individuals, the small amount of bonded debt could not be paid, and if the interest on bonded debt could not be met it was foolish to undertake the building of these railways at all. (Hear, hear.) With respect to some roads—to two of the roads, they had received grants heretofore of a certain number of dollars per mile, for which provision will be made. Take, for instance, the grant of \$1,000 per mile, made to the Montreal, Sorel and Chambly Railroad. That road was intended to go from Sorel to Chambly, from Chambly to St. Johns, and from St. Johns to Montreal; the whole distance of the road under the charter was 77 miles, to which was attached a subsidy of \$1,000 a mile. The Government now intends not to grant any additional subsidy to that road, but to allow the company on the vote of their directors and shareholders for any portion of the line, say, for instance, Sorel and Chambly, to apply the subsidy which was heretofore granted to the other part of the road from Montreal to the Province line; and something will perhaps be done in connection with the Richelieu, Drummond and Arthabaska road. In no case, so far will the grant be exceeded which was given heretofore, but it only may be distributed in a different way, so as to allow certain roads to effect an additional aid in one sense, and in another sense no additional aid. I must now thank you, Mr. Speaker, and thank this House for the patience with which the members have listened to my remarks, and as I said before, I am rather unwell, and don't feel able to "bring down the budget," as it is called, in a proper manner, but I felt that the House had waited long enough for the statement, and I consequently made an effort to present it in a fair way, in order that hon. members might have an opportunity of discussing the pro-

et as submitted, and also of passing estimates from time to time. (Hear, hear.) I hope, Mr. Speaker, that the action of the House will be such that our successors in this House and the people outside of the House will be satisfied that the members of the Legislature of Quebec can discuss an important question of this kind in a broad, statesmanlike manner, irrespective of political differences, and that while certain political differences exist we are determined that we will show ourselves to be worthy of the two great nations from which we have sprung—the English and French nations, and that here we can meet upon common ground and take measures to advance the prosperity of our province. (Hear, hear, and applause.)

A VOICE—You are right.

Mr. JOLY—Is the hon. Treasurer able to make a rough guess and give the House an idea of what the yearly charge on the Province would be in case we should borrow the money required, say at the same rate as he made the present loan, for instance, the first loan of £800,000 stg? Let us suppose the Treasurer may obtain the same favorable condition for the further loan of \$4,102,000, and let us suppose the bonds for three millions may be negotiated on the same favorable condition, is the Treasurer in a position to make a rough guess as to the yearly charge that the Province will have to bear in order to meet the interest and sinking fund for this amount, merely rough guess?

Hon. Mr. ROBERTSON—I can tell the honorable gentleman pretty nearly what it will amount to; if we borrow three millions of dollars, the annual charge upon the Province for interest will be \$150,000, and one per cent. more would be equal to 6 per cent. on the whole, making \$90,000 a year; that would be the interest at five per cent. and the sinking fund, upon the face of the loan. To be deducted from that would be the discount, of course,

upon the amount of cash received. If we borrow four millions, and I am perfectly satisfied that we would not require to borrow so much, or perhaps not quite that amount; but if we borrow four millions we shall get as good a price as we have received. I am in hopes that the opposition of certain individuals in England, and, I am sorry to say, this opposition has reduced our bonds from 104 to 98, at which figure they stand to-day, but, notwithstanding their efforts in that respect, I feel satisfied that when the public in England get possession of the statement of the Government, and see the amount, the actual amount we propose to borrow, so different, so entirely different from what it has been represented to them heretofore, I believe they will consider that the people of this Province had some respect for their own credit, and that we are determined not to be run into debt for more than we can pay; and under such circumstances, year after year, a better price will be claimed for these bonds, because the Province of Quebec has been unknown, never having been on the British market before, and if we once establish our credit on the British market, and once show that the interest and sinking fund are promptly paid, we can go on the market and borrow a second four millions to better advantage than the first. Therefore, if we borrow three millions, it will entail a charge of \$180,000 a year, and for four millions the extra charge will be \$240,000, including one per cent—\$40,000—for sinking fund, in order to provide for the gradual redemption of the debt from year to year. I hope that I have made myself understood to the hon. gentlemen.

Mr. JOLY—I thought that the hon. Treasurer would go further than that.

Hon. Mr. ROBERTSON—Well, ask what you want.

Mr. JOLY—If the whole amount the Treasurer wishes to borrow were eleven millions, can our loan—

Hon. Mr. ROBERTSON—No, no.

Mr. JOLY—Can the four millions the Treasurer proposes borrow, the four millions and three millions as a loan which we will have to pay—

The Hon. TREASURER—Not at all.

Mr. JOLY—So that, altogether, it will come to eleven millions—

The Hon. TREASURER—No, no.

Mr. JOLY—So that these eleven millions—

The Hon. TREASURER—If the honorable gentleman will allow me to say that the Government do not intend to pay the interest of three millions in aid of the road—

Mr. JOLY—Who will pay the interest ?

The Hon. TREASURER—The road itself. The Commissioners of the road will provide for that interest, and I have no doubt of this—that there are fifty men who would be glad to be Commissioners if we would give them the road and merely pay its bonded debt, giving them the balance. The Government does not intend to guarantee the interest of three millions of bonds; if paying two-thirds, nearly three-quarters of the amount necessary to build the road will not secure from capitalists in England the other one-third or the other one-quarter, as the case may be, giving security for the full amount, we had better abandon the railways built in this country. (Hear, hear.) I do not believe anything of the kind, but I firmly believe that if we show English capitalists, that this Province is prepared to expend, *bona fide*, eight millions—

A VOICE—Nine millions.

The Hon. TREASURER—Seven millions, and if we want three millions more in order to build a railway, and do not

ask them to give that money until our money has been expended and we have something to show for the expenditure, I have no doubt that we shall get the money, and, moreover, that they will be very glad to invest in a security so safe, and, in connection with which, there is no possibility of any loss.

Mr. MATHIEU—Allow me to put a question.

The Hon. TREASURER—I beg your pardon.

Mr. MATHIEU—I am asking a question. The Montreal, Portland and Boston Railway Company have applied to get aid for a portion of their line; for instance, the Treasurer said with reference to the branch from Sorel to Chambly, can they apply for a subsidy for the other portion of the line?

The Hon. TREASURER—They have made application with this difference, that they are not satisfied with that merely; but want a great deal more.

Mr. MATHIEU—The Company?

The Hon. TREASURER—The Company have made application for that, and in addition to that they ask for a very much larger sum, which the Government did not feel quite able to grant; they asked us to grant so much, but the advance will be made only with the sanction of the Railway Company and Shareholders rectifying any resolution which the Board of Directors may adopt. It is only on ratification by the shareholders that any company can either get a fixed subsidy changed into a bonded interest for a series of years on a certain portion of the line cut off from the subsidy at present applied to that portion, and distributed over the remaining portion.

Hon. Mr. IRVINE—I do not wish to trouble the Treasurer with any question, but I only wish to assure myself; I

understood two parts of his statement on the subject of the railway, with reference to the three millions it is said to be inevitable that we should borrow on the credit of this road. I understand the Treasurer to say that the Government do not intend to be responsible for the interest on that intended loan. Of course, then, I understand that in reality the Government will not be the borrowers of the three millions. I do not wish to enter into any criticism of the scheme now presented until I understand a little better what appears at first sight to be a little difficult to understand—how the Government, who are to be the owners of this railway, should be able to borrow the money secured upon their own property were they themselves the debtors for the money proposed to be borrowed over that now to be expended. I do not quite understand it, but I understand my hon. friend to say now that we shall not be the borrowers or responsible for the interest of three millions; I understand that part correctly, but I do not make out from what my hon. friend has explained, whether the increased sum proposed to be obtained from licenses is the only proposed increase of taxation it is intended to resort to in order to meet the demands.

The Hon. TREASURER—Not at all. That is surely brought down as a portion of what the Government intend to bring down; there will be other measures; some of them we have given notice of, but other matters are to be brought down, but I want to keep our usual revenue and our usual expenditure as separate as possible—that is, in bringing down the estimates for the next year, I take what I believe to be our usual revenue and our usual expenditure.

Hon. Mr. IRVINE—Then we have not thoroughly heard of ways and means.

The Hon. TREASURER—No, no.

Hon. Mr. IRVINE—That is what I want to know.

Hon. Mr. ROBERTSON—I move that the House go into Committee of Supplies. Carried, and the Hour being six o'clock the House, on motion of Hon. Mr. Robertson, several items being passed, rose, and having reported progress and asked leave to sit again, took recess,

